FAMILY ECONOMICS REVIEW

Institute of Home Economics, Agricultural Research Service,
UNITED STATES DEPARTMENT OF AGRICULTURE

Prepared for home demonstration agents and home economics specialists of the Agricultural Extension Service, this publication reports current developments in family and food economics, and economic aspects of home management.

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PER PERSON FOOD COST DIFFERENTIAL IN LARGE AND SMALL FAMILIES

It is commonly believed that at a given food consumption level a large family can feed its members for a smaller cost per person than a small family can. The large family may be able to save on food by buying in quantity, and may have less spoilage and other food losses than the small family, thus reducing per person cost.

Large families do have some advantage over small ones in per person food costs, though it may be less now than formerly, due to modern packaging and storage practices. Quantitative information on such economies of scale is of general interest and is also needed for calculating food costs for families of different sizes, using food plans such as suggested by the USDA.

A method of estimating economy of scale has been devised and applied to the 1955 Household Food Consumption data. The result suggests, in general, a 5 percent cost differential per person for families from 2 to 6 persons.

Beginning with the food costs in this issue (page 5) this differential is applied to the USDA food budgets when adding up the cost of food for families of different sizes. Food costs in these plans are quoted for each person as a member of a 4-person family. In adding up the cost of food of a 4-person family, no addition or subtraction for the differential cost per person need therefore be made. In adding up the costs of the food for a smaller family or a larger family, the following additions or subtractions are suggested:

2 persons	add 10 percent
3 persons	add 5 percent
5 persons	subtract 5 percent
6 persons	subtract 10 percent

The technique adopted for estimating differentials in food cost due to economy of scale from the survey data involved two steps. The first step was to determine the weekly per person food cost for each household size group at a given standard of dietary adequacy. The standard adopted was that point at which 75 percent of the households had at least two-thirds of the allowances recommended by the National Research Council for each of eight nutrients. The costs were estimated from smoothed curves relating the money costs per person to the percent of the households meeting the two-thirds allowance, a separate curve for each of five household size groups--from two to six persons. (The data covered all 2- through 6-person nonfarm households in the United States.) The resulting estimates of weekly per person money value of food used at home were $5.65 for the 2-person household, $5.40 for the 3-, $5.00 for the 4-, $4.75 for the 5-, and $4.45 for the 6-person household. These amounts approximated those of the low-cost food plans. They showed that the 2-person households spent $1.20, or 27 percent, more per person than the 6-person households in maintaining the same level of nutritional adequacy.

All of this difference, however, could not be attributed to economy of scale. On the average, large households have a greater proportion of young children than do small households, and it costs less in general to provide adequate food for a young child than for an adult. The second step, therefore, was to introduce an adjustment to take the age-sex composition of the different household size groups into account.

In brief, this was done by obtaining from the survey data an estimate of the size of each of the five household size groups in terms of "equivalent cost units," relating them to the actual count of members, and adjusting the food costs given above by these ratios. When this was done the range in the difference between the per person cost in the 6-person household and the 2-person household was reduced from 27 percent to 20 percent.

To test the reasonableness of the differentials estimated from survey data, as given above, menus and market orders for a week's food for 2-, 4-, and 6-member families, based on the low-cost food plan, were prepared and priced in the Washington, D. C. area. The cost per person (also adjusted for family composition) of the food at these prices was then calculated for each family size group. The differentials in cost per person in the 2- and 6-person families as compared to the 4-person family were equal to or less than the 5 percent differential noted above. Compared to the per person cost of food for the 4-person family, that for the 2-person family was 3 percent greater and that for the 6-person family was 10 percent less.

Only limited information is currently available on the food losses in families of different sizes, but the data that are available do indicate that, measured in calories, the percent of household food supplies discarded by 5- and 6-person families is less than by 2- to 4-person families.

The 5 percent per person differential suggested here, based upon evidence from the 1955 Household Food Consumption Survey, pertains to the low-cost food plan for family sizes 2 through 6 only. It is not suggested that the 5 percent differential should continue for larger families of 7, 8, and so on, and it is possible that for the 1-person family a somewhat larger differential would be reasonable--namely something more than 15 percent. Within the range covered, however, it is believed the survey data do provide a summary measure of the actual economy of scale differential, independent of the effects of income and family composition.

--Janet Murray

Estimated Cost of 1 Week's Food, 1/ July 1960--U.S.A. Average

Sex-age groups	Low-cost plan	Moderate-cost plan	Liberal plan
	Dollars	Dollars	Dollars
FAMILIES			
Family of two, 20-34 years 2/	14.00	19.00	21.40
Family of two, 55-74 years 2/	12.40	17.00	19.10
Family of four, preschool children 3/	20.80	27.60	31.50
Family of four, school children 4/	24.00	32.30	36.70
INDIVIDUALS			
Children:			
Under 1 year	3.00	3.80	4.10
1-3 years	3.70	4.60	5.30
4-6 years	4.40	5.70	6.70
7-9 years	5.20	6.80	7.80
10-12 years	6.10	8.20	9.40
Girls, 13-15 years	6.40	8.70	10.00
16-19 years	6.50	8.70	9.90
Boys, 13-15 years	7.00	9.60	10.90
16-19 years	8.30	11.20	12.70
Women:			
20-34 years	5.50	7.60	8.50
35-54 years	5.30	7.40	8.30
55-74 years	5.00	6.90	7.80
75 years and over	4.80	6.50	7.30
Pregnant	6.80	8.90	9.80
Nursing	8.60	10.90	12.10
Men:			
20-34 years	7.20	9.70	11.00
35-54 years	6.70	9.10	10.10
55-74 years	6.30	8.60	9.60
75 years and over	6.10	8.30	9.20

1/ These estimates were computed from quantities in low-cost, moderate-cost, and liberal food plans published in tables 2, 3, and 4 of the October 1957 issue of Family Economics Review. Quantities for children were revised January 1959 to comply with the 1958 NRC Recommended Dietary Allowances. The cost of the food plans was first estimated by using the average prices per pound of each food group paid by nonfarm survey families at 3 selected income levels. These prices were adjusted to current levels by use of Average Retail Prices of Food in 46 Large Cities Combined released periodically by the Bureau of Labor Statistics.

2/ Ten percent added for family size adjustment. For derivation of new factor see preceding article "Per Person Food Cost Differential in Large and Small Families."

3/ Man and woman 20-34 years; children, 1-3 and 4-6 years.

4/ Man and woman 20-34 years; children, 7-9 and 10-12 years.

RESULTS OF FAMILY ECONOMICS REVIEW QUESTIONNAIRE

In the March 1960 issue of Family Economics Review, we sent a questionnaire to a random sample of our readers. Our purpose was to find out something about the subject matter interest of readers and how they use the material, so that we may serve them better. General topics covered in Family Economics Review were listed, and readers were asked to indicate the extent of their interest--much, some, little or none--in each.

Thirty-five percent of those to whom we sent the questionnaire filled it in and returned it. Home demonstration agents and home economics specialists of the Agricultural Extension Service who make up 80 percent of readers, rate the Annual Outlook issue high. With them the outlook for family living is given highest priority, and the outlook for food, housing and equipment, and clothing follow in that order. Of the topics covered in other issues, they are most interested in: Income and expenditures of families and individuals; standards, grades, labeling; food consumption and food budgeting; estimated cost of 1 week's food.

Teachers report greatest interest in income and expenditures of families and individuals, laws relating to consumers, the estimated cost of 1 week's food, and standards, grades, labeling.

Other readers--mainly social welfare workers and nutritionists--find food consumption and food budgeting, the estimated cost of 1 week's food, and income and expenditures of families and individuals most helpful.

The following summarizes the ways readers use Family Economics Review as reported by them:

	Percent of total reporting		
Uses made of FER:	Extension workers	Teachers	Other
For own information	93	83	83
In newsletters, news articles	61	6	21
As student reference material	14	84	22
In talks, lessons	80	85	45
In planning food budgets	31	31	45

We gratefully acknowledge the help of those who filled in and returned the questionnaire, and the notes of appreciation for Family Economics Review that some of them added.

--Emma G. Holmes and Lucile F. Mork

CITY WORKER'S FAMILY BUDGET REVISED

The Bureau of Labor Statistics has recently published a revision of the City Worker's Family Budget, with estimates of its cost in 20 large cities at fall 1959 prices. 1/ The budget was originally developed by the Bureau of Labor Statistics in 1946-47. It relates to a family of four persons, consisting of an employed husband, aged 38, with a wife not employed outside the home and two children, a girl aged 8 and a boy aged 13, who live in a rented dwelling in a large city or its suburbs. It was designed to estimate the dollar amount needed to maintain such a family at a "modest but adequate" level of living, according to prevailing standards of what is needed for health, efficiency, the nurture of children, and participation in social and community activities.

The quantities and qualities of goods and services included in the original budget were based on the pattern of living and standards prevailing before World War II. Since that time, purchasing power and levels and standards of living of American families have increased markedly, and the old budget no longer fits the situation. The purpose of the revision was to develop a new list of goods and services that would more nearly reflect a "modest but adequate" level of living in terms of standards prevailing in the 1950's. The goods and services included in the revised budget--as in the original--were, insofar as possible, determined on the basis of recognized scientific standards. Selections among the various items meeting the standards were based on actual choices of families, as shown by postwar consumption data.

The revised budget uses the same basic concept and general procedures and is for a family of the same size, age, composition, and living arrangement as the original budget. Because this revision was limited to changing the list of goods and services, it is considered an "interim revision." A more comprehensive revision of the budget is needed and probably will be made when data from the consumer expenditure surveys being planned for 1961-62 become available.

Budget level and cost

The City Worker's Family Budget does not show how an "average family" spends or should spend its money. Rather, it is an estimate of the total cost of a representative list of goods and services considered necessary by 4-person city families of the budget type to maintain a level of adequate living according to standards prevailing in large cities of the United States in recent years. The level of living it provides for is above the "minimum," but below the average level now enjoyed by American families residing in large cities.

1/ Lamale, Helen H., and Stotz, Margaret S. "The Interim City Worker's Family Budget." Monthly Labor Review, pp. 785-808. August 1960.

The autumn 1959 costs of the revised budget reflect both the very much higher standard of living, which has prevailed in the 1950's as compared with prewar years, and the increase in prices since the budget was last priced in 1951. The total cost of goods and services for the budget in 1959 is approximately 40 percent higher than costs for these same cities in 1951, with some variation from city to city. More than half of this change represents an increase in the standard of living; the remainder is due to increases in prices and taxes.

The total annual cost of the revised list of goods, rents, and services at autumn 1959 prices in 20 large cities ranged from $4,622 in Houston to $5,607 in Chicago. (See table.) When personal taxes and other costs (social security deductions, life insurance, and occupational expenses) are added, the total budget cost ranged from $5,370 in Houston to $6,567 in Chicago. The costs of the major components of the budget (food and beverages; rent, heat, and utilities; and other goods and services) for each of the 20 cities are shown in the table. Lists of the items and quantities included in the budget are given in the August 1960 Monthly Labor Review. 2/

Uses and limitations

There is no simple answer to the question, "How much does it cost a family to live?" The City Worker's Family Budget is not a readymade answer to all the problems that require estimates of budget costs. Rather, it is a starting point from which answers may be developed.

Estimates of the total cost of the budget are useful (1) to measure changes in the standard of living; (2) to evaluate the adequacy of family income; and (3) to measure differences in living costs among cities and families. The quantities and kinds of goods and services which make up the budget are helpful in appraising the content of living and establishing needs in various situations. For most purposes the content and cost of the component parts of the budget are more useful than the total cost estimates since they can be used in developing standards appropriate to specific programs and situations.

Since it has been priced only in 20 of the largest cities of the country, the budget costs given are not representative of the costs in all large cities or in cities of other sizes and economic characteristics.

The total costs of the budget can be used to measure adequacy of income only when compared with annual income of 4-person families of the type defined for the budget, residing in cities of the same size and economic characteristics. The budget total should not be compared directly with average income of all urban families. The budget represents a level of income about 15 to 20 percent below the estimated average 1959 income of budget-type families (that is, 4-person, 1-earner families in large cities).

2/ Ibid. pp. 791-801.

Annual costs of the city worker's family budget for a 4-person family*
20 large cities, autumn 1959

City and suburbs	Total budget	Goods, rents, and services				Other costs 3/	Personal taxes 4/
		Total	Food and beverages 1/	Rent, heat, and utilities 2/	Other goods and services		
Atlanta	$5,642	$4,840	$1,514	$1,151	$2,175	$258	$544
Baltimore	5,718	4,850	1,525	1,004	2,321	258	610
Boston	6,317	5,334	1,857	1,240	2,237	258	725
Chicago	6,567	5,607	1,751	1,386	2,470	258	702
Cincinnati	6,100	5,163	1,734	1,203	2,226	258	679
Cleveland	6,199	5,305	1,695	1,191	2,419	258	636
Detroit	6,072	5,201	1,761	1,040	2,400	258	613
Houston	5,370	4,622	1,486	941	2,195	258	490
Kansas City	5,964	5,090	1,631	1,117	2,342	258	616
Los Angeles	6,285	5,325	1,747	1,178	2,400	294	666
Minneapolis	6,181	5,165	1,647	1,150	2,368	258	758
New York	5,970	5,048	1,853	1,013	2,182	273	649
Philadelphia	5,898	4,970	1,825	954	2,191	258	670
Pittsburgh	6,199	5,264	1,889	1,012	2,363	258	677
Portland, Oregon	6,222	5,182	1,746	1,046	2,390	258	782
St. Louis	6,266	5,271	1,694	1,298	2,279	258	737
San Francisco	6,304	5,341	1,795	1,079	2,467	294	669
Scranton	5,693	4,834	1,758	871	2,205	258	601
Seattle	6,562	5,602	1,844	1,293	2,465	258	702
Washington, D. C.	6,147	5,199	1,684	1,226	2,289	258	690

1/ Includes 4,156 meals at home, 212 meals away from home, alcoholic beverages, and snacks. Regional preference patterns in choice of foods to meet the budget standard were used in all cities except Washington, D. C., where the U. S. pattern was used.

2/ Estimated average rent, including cost of heat and utilities, of 5-room dwelling units meeting standards specified for budget.

3/ Includes life insurance; occupational expenses; Social Security deductions; and employee contributions to disability insurance as required by State law in California and New York.

4/ Includes Federal and State or local income taxes at 1959 calendar year rates and per capita taxes as required by State or local law.

* Employed husband, aged 38, wife not employed outside the home, 8-year old girl and 13-year old boy.

Source: U. S. Department of Labor; Bureau of Labor Statistics.

The budget provides a measure of differences in living costs between cities, and not differences in prices only. Intercity differences in costs reflect climatic or regional differences in the quantities and types of items required to provide the specified standard of living and differences in State and local taxes. The relative differences in costs are those of established families in each city and will not reflect differences in cost associated with moving from one city to another. For example, the rental cost in this budget is the average for occupied dwellings of a defined specification and may vary considerably from that of dwellings available for new residents. The budget provides a comparison of costs for a 4-person family residing in a rental dwelling and eating most of its meals at home. It is not a valid measure of the difference in cost for persons who live in rooms and eat in restaurants, for travelers residing in hotels, or for homeowners.

Elderly Couple's Budget

The B.L.S. is making an interim revision of the Elderly Couple's Budget, with estimates of its cost at autumn 1959 prices in these same 20 cities.

FDA'S CONSUMER CONSULTANT PROGRAM

The Food and Drug Administration has announced that the Consumer Consultant Program, which it started in 1953, has recently been expanded and a director and additional consultants have been appointed to carry out the stepped-up program.

Women consumer consultants are now located in all 17 of the FDA's field districts. Their job is to create a two-way flow of information between FDA and the consumer by speaking to community groups, appearing on radio and television programs, and conducting consumer surveys. These women explain FDA's regulatory programs, laws and jurisdictions, and determine the opinions and attitudes of the public toward the food, drug, and cosmetic products which come under FDA's jurisdiction.

The development of revolutionary new manufacturing processes and the introduction of countless new products have placed an increasing responsibility on the Food and Drug Administration. One objective of the consumer consultants is to suggest ways in which the consumer may help to protect himself. They will discuss the importance of reading the label carefully on all food, drug, and cosmetic products, the misbranding of many reducing and therapeutic devices on the market today, and the misleading claims made about products, which can be rejected in many instances through wise and careful buying.

FDA's field district offices are in the following cities: Atlanta, Baltimore, Boston, Buffalo, Chicago, Cincinnati, Denver, Detroit, Kansas City, Los Angeles, Minneapolis, New Orleans, New York, Philadelphia, St. Louis, San Francisco, and Seattle.

SOME FACTS ABOUT UNEMPLOYMENT INSURANCE

Many families have benefited in the past two decades from unemployment insurance, a joint Federal-State program provided for in the Social Security Act of 1935. The purpose of this program is to help unemployed persons by giving them a weekly income for a limited time while they are looking for work. Although smaller than their regular wage, this income keeps families from dipping as far into their savings or going as deeply into debt for family living expenses as they would have to do otherwise.

Where the money comes from

The unemployment insurance program is financed by taxes paid on wages by employers. The Social Security Act provided an inducement to the States to pass unemployment insurance laws. It provided that if a State enacted an approved unemployment insurance law employers could credit up to 90 percent of the tax levied by the State against the Federal tax. The Federal tax is 3 percent on the first $3,000 of each worker's annual earnings, but in effect it is reduced to 0.3 percent by this tax credit provision.

At first, the State tax in most States was 2.7 percent of payrolls, the rate still paid by new employers. Now in all States the tax rate for employers with little or no unemployment in their establishments may be lower. In 18 States employer rates may be raised as well as reduced on the basis of their experience. Employers would still pay the Federal Government only 0.3 percent. In the year 1959, the State unemployment tax ranged from 0 percent to 4.5 percent with a nationwide average of 1.7 percent.

Proceeds of the State tax are deposited in a special fund in the U. S. Treasury, to be withdrawn only to pay weekly benefits to the unemployed. The Federal tax is used to pay the costs of administering the program and to maintain a reserve fund that States can borrow from to pay benefits if they need to.

Who gets unemployment benefits

Most workers in commerce and industry are covered by unemployment insurance. Twenty-seven States limit the program to employers of 4 or more workers; 20 States to employers of 1 or more in covered industry; and 4 States to employers of 3 or more. In general, agricultural workers, domestic employees, State and local Government employees, and most employees of nonprofit organizations are excluded. Federal employees and members of the armed forces, and railroad employees have separate unemployment insurance programs, which are not discussed in this article.

A worker who becomes unemployed through no fault of his own can receive insurance benefits if he earned a certain amount or worked a certain length of time in covered employment the year before making a claim, and if he is able

to work and available for work. In general, he is disqualified if he left his job voluntarily without good cause, was discharged for misconduct connected with his work, is out of work because of a labor dispute at the place he last worked, or has refused a job without good cause.

Size of payments

The payment of benefits to unemployed persons is the responsibility of the States. Each State makes its own laws about benefits to be paid and requirements for receiving them, within the broad provisions of the Federal law. These laws vary widely.

All State laws provide for weekly benefits for a certain number of weeks. The formulas they use relate to the worker's length of employment and earnings in a job covered by the law. Most States compute the amount of the weekly benefit as a fraction of the worker's wages in the quarter of the "base period" (the year prior to his unemployment) when his earnings were highest. The fraction is generally designed to give an amount equal to 50 percent or more of the regular wage. However, each State law establishes a maximum payment, and no worker's benefit may be larger than the maximum. This prevents many from receiving a benefit as large as half of their weekly wage.

Maximum weekly benefits range from $26 in South Carolina to $55 in California. Seven States paying $45 or more had one-fourth of the employment covered by insurance laws in 1959. The following summary shows this:

Maximum basic weekly benefit:	Number of States 1/	Percent of covered employment in 1959
$25 to $29	3	6.7
$30 to $34	18	27.8
$35 to $39	13	16.6
$40 to $44	10	22.4
$45 to $49	5	4.7
$50 to $55	2	21.8

Minimum weekly benefits range from $3 to $17. The minimum is $10 in the majority of States.

Twelve States give larger weekly payments to workers with dependents. They usually pay a flat amount ranging from $1 to $8 for each dependent.

Number of payments

Thirty-nine States vary the number of weekly payments allowed to eligible unemployed workers, basing it on the individual worker's earnings or length of

1/ Includes the District of Columbia.

employment in the "base period," but keeping it within a specified maximum. In the other 12 States the number of benefit payments allowed is the same for all eligible unemployed workers.

In most States (33) the maximum number of payments allowed in a 52-week period is 26. In 9 States it is more than 26. The 2 States with the lowest maximum allow 20 weekly payments.

After a person has received as many payments as he is allowed in a benefit year, he can receive no more until his new benefit year begins. Six States make provision for additional payments when Statewide insured unemployment exceeds specified levels.

Making a claim

A jobless worker who wants to receive unemployment insurance benefits must file a claim at the nearest public employment office, and at the same time register there for work. In most States there is an uncompensated "waiting period" of 1 week of unemployment before he starts to receive payments. He must continue to report at the employment office periodically while receiving payments, to claim benefits and report on his job-hunting efforts and availability for work.

Rules vary

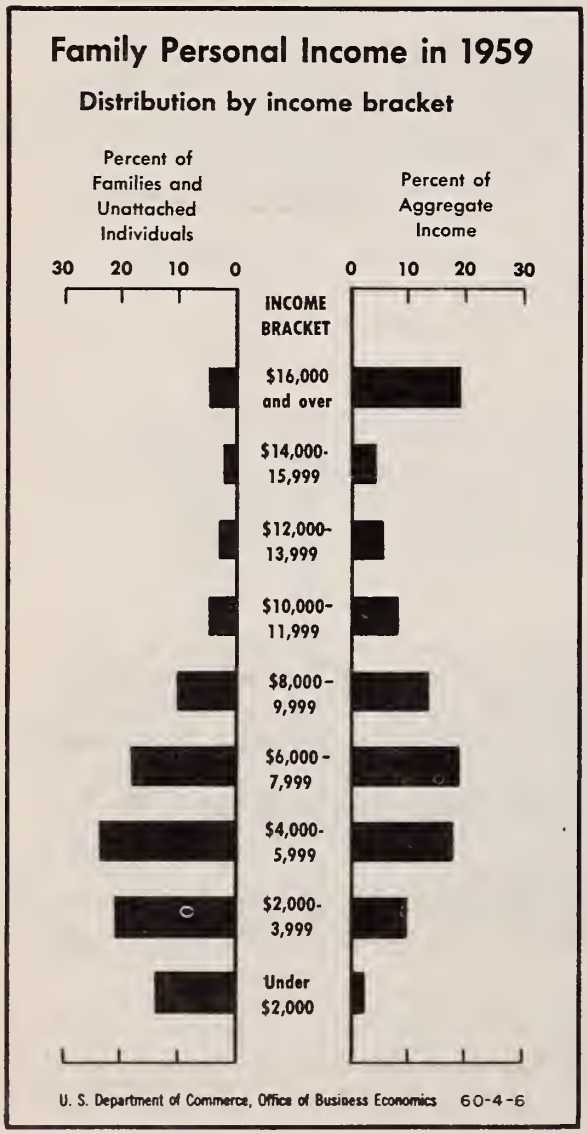
This brief explanation gives only a general outline of how unemployment insurance works. Laws not only vary from State to State but undergo frequent revisions. Details about rules and regulations that apply to families in a particular State can be obtained at local State Employment offices.

Sources: U. S. Department of Labor. "Twenty Years of Unemployment Insurance in the USA." Employment Security Review. Vol. 22, No. 8. August 1955. U. S. Department of Labor, Bureau of Employment Security. General Administration Letter No. 508. April 1960. U. S. Department of Labor, Bureau of Employment Security. "Significant Provisions of State Unemployment Laws," October 15, 1959. (Corrected to circa June 1960.) "Unemployment Insurance in the USA, 1956-1960." Employment Security Review. Vol. 27, No. 8. August 1960. "Twenty-five Years of Unemployment Insurance in the United States." Social Security Bulletin. Vol. 23, No. 8, pp. 50-59. August 1960.

PERSONAL INCOMES IN 1959 1/

Personal income of the Nation's 56 million families and unattached individuals averaged $6,520 in 1959. This was about $260 higher than the year before and $300 above the average for 1957. When allowance is made for increases in consumer prices, the 1959 average personal income is 3 percent higher than that for 1958. "Personal income," as used here, includes money income received from all sources plus certain nonmoney items such as wages in kind, the value of food and fuel produced and consumed on farms, the net imputed rental value of owner-occupied homes, and imputed interest.

The distribution of personal income in 1959 among families and unattached individuals is shown in the chart. The bars at the left show the percentage of families and individuals in each income range. The bars at the right show the percentage share of total income received by each group. The figures represented in the chart are preliminary, but are believed to reflect the actual situation quite closely.



The largest concentration of families and unattached individuals in 1959 was in the $4,000 to $6,000 income range, which included 24 percent of them. Both the modal and the median incomes were in this bracket. The mode, which is the most frequent or usual income, was estimated at about $4,600. The median, which is the middle income--that is, half of the incomes were below and half above it--was approximately $5,300.

About one-fifth of the families and unattached individuals had personal incomes between $2,000 and $4,000, and nearly one-fifth had incomes between $6,000 and $8,000. The latter range included the average income of $6,520 (total income divided by total number of families and unattached individuals).

The distribution of income was pitched higher on the income scale than

1/ From: Goldsmith, Selma, F. "Size Distribution of Personal Income," 1956-59. Survey of Current Business, pp. 8-15, April 1960.

the distribution of families. About half of total personal income went to the one-fourth of families and unattached individuals with incomes of $8,000 or more. The other half went to the three-fourths with incomes under $8,000. The lowest income group--under $2,000 represented 14 percent of the families, with only 2 percent of the personal income.

FOREIGN TRAVEL IN 1959

As incomes increase, more and more people find it within their means to travel in foreign countries. U. S. residents spent $2,380 million on foreign travel in 1959--11 percent more than the previous year. This sum does not include amounts spent for travel by military personnel and other Government employees stationed abroad.

Expenditures for foreign travel in 1959, as reported by the U. S. Department of Commerce, were as follows: 1/

	Million dollars
Total expenditure	2,380
Transportation	770
Expenditures in foreign countries	1,610
Canada	365
Mexico	350
Overseas areas	895
Europe and Mediterranean	604
West Indies and Central America	174
South America	41
Other overseas areas	76

About $2,000 million of the total expenditure went to foreign countries. This includes what was paid to foreign airlines and ships for transportation, as well as expenditures for hotel rooms, food, and other items incidental to travel. Spending for travel on foreign ships increased even though the number of sea travelers decreased. The rise was due to an increase in cruise travel and in direct travel to the Mediterranean, which costs more than going to the North Atlantic ports.

The average European trip last year cost just over $1,500 including transatlantic fares of $650. Travelers by sea averaged close to $1,700 per trip, travelers by air $1,400.

1/ U. S. Department of Commerce, Office of Business Economics, Survey of Current Business, pp. 8-9, 24. June 1960.

WORKING MOTHERS AND CHILD CARE 1/

Over 400,000 children under 12 had no one to care for them while their mothers were at work in May 1958. This was 1 in every 13 children under 12 whose mothers worked full time. In the age group 10-11 years, 1 child in 5 was without care while his mother was at work.

These were some of the findings of a special survey conducted by the Bureau of the Census for the Children's Bureau. The study covered the arrangements made by working mothers for care of their children during May 1958.

There were approximately 2.9 million mothers with children under 12 working full time at the time of the survey. These mothers had a total of 5,073,000 children under 12, of whom two-fifths were less than 6 years old, a third were 6 to 9, a fourth were 10 to 11 years of age.

Care at home.--More than half (58 percent) of these children under 12 years of age were cared for in their own homes while their mothers worked. (See table.) These included 16 percent cared for by their fathers, 30 percent by other relatives (often brother or sister 12 to 17 years old), and 12 percent by nonrelatives. About the same proportion of children under 6 and children 6 to 11 years of age had care in their own homes.

Care away from home.--About a fifth of the children were provided with care away from home. Grandparents, aunts, uncles, and older brothers and sisters took 11 percent into their homes, and nonrelatives 9 percent. Neighbors probably provided a good share of this care by nonrelatives. Day nurseries, day care centers, settlement houses, and other group care centers cared for 2 percent.

A much larger proportion of children under 6 (31 percent) than of children 6 to 11 years old (15 percent) was cared for away from home.

Self care and other arrangements.--Sometimes there was no arrangement for care other than for the child to look out for himself. This was true for 8 percent of the children under 12. The children left without care were generally over 6 years old, so they were in school much of the time their mothers were at work with only the after-school hours alone.

For 13 percent of the children covered by the survey, it was not possible to state exactly who cared for them or where the care was provided. In some cases, the mothers took the children along to work or worked close enough to home so they could keep an eye on them. Others confined their employment to the hours the children were in school, or used several types of child care arrangements rather than any one.

1/ Adapted from: Lazewski, Henry C. Child Care Arrangements of Full-Time Working Mothers. U. S. Department of Health, Education, and Welfare. Children's Bureau Publication No. 378. 1959.

Child care arrangements of children under 12 with full-time employed mothers by age of child and occupation of mother, June 1958

Child care arrangements	Total	Age of child		Occupation of mother				
		Under 6 years	6-11 years	Professional and managerial	Clerical and sales	Craftsmen, operatives, and laborers	Private household or service workers	Farmers or farm laborers
Total number of children (thousands)	5,073	2,039	3,034	641	1,788	951	1,222	471
	Percent			Percent				
Total	100	100	100	100	100	100	100	100
At home by--								
Father	16	15	17	14	14	18	23	4
Relative:								
Under 18 years	11	7	14	5	9	11	12	26
18 years and over	19	20	18	22	20	19	20	10
Nonrelative	12	14	10	17	15	11	9	--
At caretakers home by--								
Relative	11	14	8	6	13	14	9	6
Nonrelative	9	13	6	7	11	11	7	3
Group care	2	4	1	1	4	2	1	--
Self	8	1	13	6	7	6	6	22
Other 1/	13	11	14	21	7	8	15	29

NOTE: Detail may not add due to rounding.

1/ Includes arrangements such as the following: Mother was able to look after children while working; mother worked the same hours as children were in school; mother was home during the day and worked nights; father worked day shift and mother afternoons with one parent at home most of the time.

Variations related to mother's occupation.--The occupation of the mother, in part, determines the type of care which the mother arranges for her child. Generally, it can be stated that children of mothers in the professional, managerial, farmer, and farm laborer occupations are provided "other child care arrangements" more often than children of mothers in other occupations; that children of mothers employed in domestic or other service occupations are provided care by fathers more often than other children, and that children of mothers in the clerical, sales, craftsmen, operative, and laborer occupations, as a group, are cared for away from home to a greater extent than children in the other groups.

EMPLOYMENT OF HIGH SCHOOL GRADUATES 1/

In June 1959, about 1.5 million students were graduated from U. S. high schools, including 664,000 boys and 791,000 girls. This represents an increase of about 50 percent in 15 years; 1 million graduated in 1944. By 1966 the size of the graduating class is expected to be close to 2.5 million.

How quickly do high school graduates find jobs? What kind of jobs do they get? How does their experience compare with that of students who drop out of school before graduation? Questions such as these are taking on increasing importance as the number of young people increases. Information on some of these questions was obtained in a survey by the Bureau of Labor Statistics on the employment experience of June 1959 high school graduates.

Graduates.--In October 1959, 665,000 (46 percent) of the 1.5 million young persons who received high school diplomas in June that year were enrolled in college. A considerably larger proportion of the boys than of the girls were attending college--54 percent compared with 39 percent. About one-fourth of these college students were helping to finance their education by working.

Of the young men not enrolled in college, 92 percent were in the labor force--that is, they were working or looking for work. (See table.) For the most part these young men will remain in the labor force until they retire. Some who were not working or looking for work were enrolled in special schools for vocational training and would probably enter the work force within a relatively short time. Others were about to report for military service.

A smaller proportion of the girl graduates not enrolled in college were in the labor force--73 percent. Some were already married at the time of the survey, and most of these were not working. Nonworking wives accounted for almost 10 percent of the women graduates who were not in college. Another 10 percent were single girls attending special schools, such as schools for

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1/ Adapted from: Cooper, Sophia. "Employment of June 1959 High School Graduates, October 1959." Monthly Labor Review, pp. 500-506. May 1960.

Employment status of June 1959 high school graduates not enrolled in college, and of school dropouts 16 and 17 years old, October 1959

Group	Total number	Percent in labor force	Employment status of those in labor force		Percent not in labor force
			Employed	Unemployed	
	Thousands		Percent	Percent	
High school graduates June 1959					
Total	790	80	86	14	20
Male	304	92	86	14	8
Female	486	73	87	13	27
Single	418	79	88	12	21
Married 1/	68	(2/)	(2/)	(2/)	(2/)
Nongraduates 16 and 17 years					
Total	783	59	75	25	41
Male	383	81	73	27	19
Female	401	39	80	20	61
Single	204	53	82	18	47
Married 1/	197	24	(2/)	(2/)	76

1/ Includes divorced, widowed, and separated women.

2/ Not shown where base is less than 100,000.

nurses, and secretarial or other vocational schools. The others may have been helping at home or expecting to be married shortly.

Nongraduates.--In October 1959 there was about the same number of young people 16 and 17 years old who had dropped out of school before finishing high school as June 1959 graduates not in college. About half of the dropouts were boys, half girls. Eighty-one percent of these boys and 39 percent of the girls were in the labor force.

Almost half of the young women who dropped out of school were married, compared with 14 percent of the girl graduates who were not in college. This accounts in large part for the relatively low proportion of dropouts working or looking for work. Labor force rates for single girls in this group were also lower than for the graduates (53 and 79 percent, respectively).

Very few of the school dropouts--boys or girls--were attending special schools to learn a vocation.

Unemployment.--Young workers, whether graduates or nongraduates, had higher rates of unemployment in October 1959 than the labor force in general. This is not surprising because most of them had joined only a few months earlier and it takes some time for such a large group to find jobs. Of those in the labor force, the proportion of June graduates looking for work was about one out of eight, compared with one out of four for the young school dropouts. Lack of training and education are traditionally linked with higher probability of unemployment.

More young school dropouts than graduates were working only part time when they wanted full-time employment. This was partly because of the kinds of jobs they could qualify for. Much involuntary part-time work occurs in construction, service, and trade industries, where relatively more dropouts than graduates find work.

Jobs held.--The disadvantages confronting school dropouts are evidenced in the kinds of jobs they found and those obtained by the graduates. The proportion of men graduates in clerical and sales jobs was six times as great as of the 16- and 17-year-old dropouts and skilled craftsmen was five times as great. On the other hand, 35 percent of graduates and 26 percent of dropouts had semiskilled jobs (operatives), and 15 percent of graduates and 26 percent of dropouts had unskilled jobs.

Among boys living in farm communities, a larger proportion of dropouts than of graduates were holding farm jobs--31 percent compared to 10 percent.

A greater contrast was evident in the types of jobs girl graduates and dropouts qualified for. Sixty-one percent of employed graduates had clerical jobs, but only 5 percent of the 16- and 17-year-old dropouts did. Fifteen percent of the graduates held waitress and private household jobs, compared with 54 percent of the dropouts.

WORLD CONSUMPTION OF COTTON, WOOL, AND MANMADE FIBERS

The world consumption of the main clothing fibers--cotton, wool, and manmade--increased from 8.2 pounds per person in 1949 to 10.5 pounds in 1957, or about one-fourth, according to figures recently published by the Food and Agriculture Organization of the United Nations. The increased use of cotton and manmade fibers (rayon, nylon, orlon, Dacron) accounted for all of the increase in the average amount of total fibers consumed. (See table.) Cotton, the most used fiber, was consumed at the rate of 6.0 pounds per person in 1949 and 7.4 pounds in 1957--an increase of 23 percent. Manmade fibers averaged 1.2 pounds per person in 1949 and 2.2 pounds per person in 1957. This represents an increase of more than 80 percent and a steady upward climb from 1949 to 1957. The amount of wool consumed was the same in both periods--1 pound per person.

Per person consumption of cotton, wool, and manmade fibers, by world regions, 1949 and 1957

Region	1949				1957 1/			
	Total	Cotton	Wool	Manmade 2/	Total	Cotton	Wool	Manmade 2/
	Pounds				Pounds			
World 3/	8.2	6.0	1.0	1.2	10.5	7.4	1.0	2.2
North America ..	37.4	25.8	4.0	7.4	33.3	22.0	2.4	8.9
Oceania (includes New Zealand and Australia) ...	20.6	10.1	7.1	3.3	17.6	9.5	4.2	3.9
Western Europe .	15.9	9.0	3.5	3.4	19.2	10.4	3.5	5.2
Eastern Europe and U.S.S.R. .	9.6	7.5	1.1	1.1	16.8	11.5	1.8	3.5
Latin America ..	8.8	6.6	1.1	1.1	9.6	7.3	.9	1.6
Near East	4.9	3.5	.9	.4	6.7	4.9	.7	1.2
Far East	3.1	2.6	--	.2	5.7	4.9	.2	.5
Africa	3.1	2.4	.4	.2	4.2	2.4	.4	1.3

NOTE: May not add due to rounding.

1/ Latest year detail is given.
2/ Rayon and other synthetics.
3/ Based on 3-year moving average.

Source: Food and Agriculture Organization of the United Nations. Per Capita Fiber Consumption Levels, 1948-1958. Rome 1960.

In 1949, cotton accounted for 73 percent of total fiber consumption, wool 12 percent, manmade (including rayon) 15 percent; in 1957, cotton made up 70 percent of total fiber consumption, wool about 10 percent, and manmade 20 percent.

Differences between regions of the world in consumption of the fibers are marked. North America lead the world in average per person use of all fibers with 33.3 pounds in 1957. Africa had the smallest average, 4.2 pounds. Western Europe had 19.2 pounds; Eastern Europe and U.S.S.R, 16,8 pounds; Latin America, 9.6 pounds. Regional differences for the individual fibers--cotton, wool, and manmade--show a somewhat similar pattern.

In North America and Oceania there was a decrease in per person consumption of fibers between 1949 and 1957. This represents a fairly steady downward trend during this period. Although Latin America and Western Europe's consumption tended to rise, the largest relative gains were in the Far East, Eastern Europe and U.S.S.R., the Near East, and Africa.

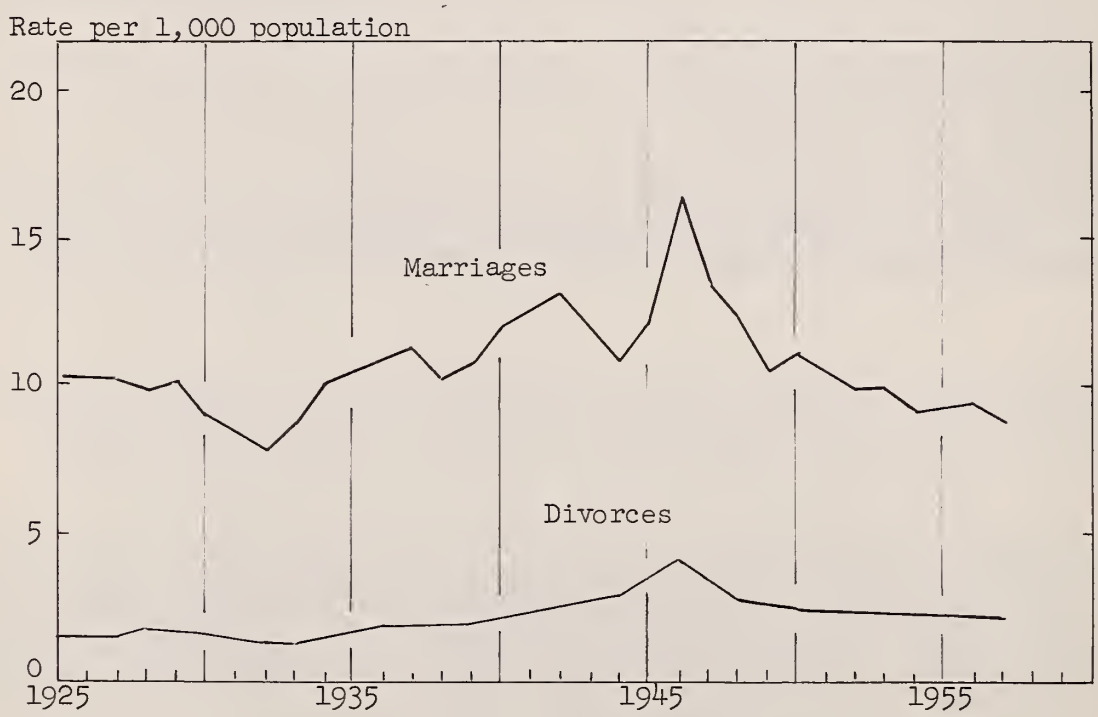
MARRIAGE AND DIVORCE RATES, 1925-1957

Marriage and divorce rates in the United States are shown for each year, 1925 through 1957, in the accompanying chart. The rates represent the number of marriages and divorces occurring for every 1,000 persons in the total population.

The marriage rate of 7.9 in 1932 was the lowest for any year, and 16.4 in 1946 was the highest. In 1957, the marriage rate was down to 8.9. The decline in the marriage rate for 1957 may be due in part to the economic slowdown that occurred at the end of the year and the low birth rates during the thirties which resulted in fewer people of marriageable age in the fifties.

The divorce rate also was at an alltime high in 1946. Between 1946 and 1957 the divorce rate was reduced by almost half, from 4.3 to 2.2.

MARRIAGE AND DIVORCE RATES, UNITED STATES



Source: U. S. Public Health Service. Vital Statistics, Vol. 50, No. 18. November 1959.

CONSUMER PRICES

Table 1.--Index of Prices Paid by Farmers for Commodities Used in Family Living (1947-49 = 100)

August 1959; December 1959-August 1960

Item	Aug. 1959	Dec.	Jan. 1960	Feb.	Mar.	April	May	June	July	Aug.
All commodities	118	119	119	118	118	119	119	119	119	119
Food and tobacco	--	115	--	--	115	--	--	117	--	--
Clothing	--	117	--	--	118	--	--	117	--	--
Household operation	--	118	--	--	117	--	--	117	--	--
Household furnishings	--	104	--	--	104	--	--	104	--	--
Building materials, house.	--	122	--	--	122	--	--	122	--	--
Auto and auto supplies ...	--	147	--	--	142	--	--	140	--	--

Source: U. S. Department of Agriculture, Agricultural Marketing Service.

Table 2.--Consumer Price Index for City Wage-Earner and Clerical-Worker Families (1947-49 = 100)

July 1959; November 1959-July 1960

Item	July 1959	Nov.	Dec.	Jan. 1960	Feb.	Mar.	April	May	June	July
All items	125	126	126	125	126	126	126	126	126	127
Food	119	118	118	118	117	118	120	120	120	121
Apparel	108	109	109	108	108	109	109	109	109	109
Housing	129	130	130	131	131	131	131	131	131	131
Rent	140	140	141	141	141	141	141	141	142	142
Gas and electricity	120	122	123	123	124	124	124	125	125	125
Solid fuels and fuel oil	134	136	137	139	139	137	136	133	132	133
Housefurnishings	104	104	104	104	104	105	105	104	104	104
Household operation	134	135	136	136	136	137	137	137	137	137
Transportation	146	149	149	148	148	146	146	146	146	146
Medical care	151	153	153	154	155	155	156	156	156	156
Personal care	131	133	133	133	133	133	133	133	133	133
Reading and recreation ...	119	120	120	120	121	121	121	121	121	122
Other goods and services .	131	132	132	132	132	132	132	132	132	132

Source: U. S. Department of Labor, Bureau of Labor Statistics.